

Rumsfeld Retreats From C-130J Termination Plans

Defense Secretary Donald Rumsfeld has retreated from the abrupt decision to terminate procurement of the C-130J, after lawmakers demonstrated that the aircraft are not only needed but that it would cost more to terminate the contract than simply buy the airplanes.

Rumsfeld wrote a letter to the Senate Armed Services Committee, dated May 10, in which he said that “new information” had come to light on the C-130J termination, and based on this, “we believe it is in the best interests of the department to complete the multiyear contract.”

The decision will reinstate a plan to build about 12 C-130Js a year from 2005 through 2009.

Members of Congress had pointed out that more than \$2 billion in termination costs would attend stopping the C-130J line and produce no further aircraft, which the Air Force and Marine Corps urgently need to replace 40-year-old C-130E-series transports. In his letter, Rumsfeld said he had been unaware of the full extent of the termination costs. It would have cost more to buy no airplanes than to finish out the contract for a further 62.

Rumsfeld wrote that no changes to the Fiscal 2006 budget are needed to continue the program and that offsets to pay for it from elsewhere in the budget will be found in Fiscal 2007 and 2008.

The C-130J termination was part of the notorious Program Budget Decision 753, the late December 2004 cut of various defense projects to find an additional \$30 billion in “savings” from the Pentagon budget. The cuts were made with no apparent analysis of their impact on national strategy; the C-130J reversal indicates there was little financial scrutiny of the cuts, either.

The chief victim of PBD 753 was the F/A-22, which was targeted for a cut of \$10.5 billion. USAF leaders have said that the F/A-22 cut was handed down with no analysis of whether the aircraft are needed, versus other programs. Rumsfeld said subsequently that the F/A-22 decision would be reviewed as part of the Quadrennial Defense Review now under way.

Responding to Rumsfeld’s letter, SASC Chairman Sen. John W. Warner (R-Va.) said the C-130J restoration would be factored into the 2006 budget and that, in the absence of a Pentagon plan as to what types of C-130 variants should be bought, Congress will develop its own preferred mix.

The Air Force uses C-130s in a variety of roles, from tactical transports to gunships, electronic warfare, and “hurricane hunters.” The Marine Corps and USAF both use C-130s as aerial tankers, and the aircraft is used by the Coast Guard and reserve components as well.

The C-130J contract has until recently been pursued as a “commercial off-the-shelf” program, an approach that has invited scrutiny and disapproval from Sen. John McCain (R-Ariz.). The Air Force recently shifted gears and changed the procurement to a straight military buy, which allows more Congressional oversight and involvement.

—*John A. Tirpak*